



**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

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In Re:

CRAIG S. PUCHALSKY

Debtor

Case No.10-32742 (GMB)

Judge: Honorable Gloria M. Burns

**CONSENT ORDER BETWEEN CHAPTER 7 TRUSTEE AND
STATE OF NEW JERSEY AND INTERNAL REVENUE SERVICE
FIXING THE EXTENT, VALIDITY AND PRIORITY OF LIENS**

The relief set forth on the following pages, numbered two (2) through five (5) is hereby
ORDERED.

DATED: 9/12/2011



Honorable Gloria M. Burns
United States Bankruptcy Court Judge

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Debtor: Craig S. Puchalsky

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Caption: Consent Order Between Chapter 7 Trustee and State of New Jersey and Internal Revenue Service Fixing the Extent, Validity and Priority of Liens

This matter was opened to the court by the motion filed by Thomas J. Subramni, Trustee. This Consent Order is entered into by and between the Trustee and attorneys for the Internal Revenue Service, the State of New Jersey Division of Taxation, and Department of Labor and Workforce Development/Office of Special Compensation Funds (hereinafter the "State"), (collectively known as the "Secured Creditors") to fix the extent, validity and priority of liens. The parties have agreed through their attorneys that the background of this matter is as follows:

BACKGROUND

1. Prior to the petition date the Secured Creditors filed the liens against the debtor for outstanding liabilities to the Internal Revenue Service and State of New Jersey.
2. Specifically, the Property is subject to a statutory lien in favor of the Internal Revenue Service for the approximate amount of \$262,803.50 for outstanding tax liability. This lien was filed on October 5, 2006.
3. The Property is also subject to a statutory lien in favor of the State of New Jersey Division of Taxation under judgment number DJ-263757-06 for the approximate amount of \$202,470.77. This lien was also filed on October 5, 2006.

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4. The Property is also subject to a lien in favor of the State of New Jersey, Office of Special Compensation Funds, Uninsured Employer's Fund under judgment number DJ-043976-10 for the approximate amount of \$45,000.00 for penalties assessed on November 20, 2009. This lien was filed on and recorded on February 9, 2010.

5. On July 26, 2010, the debtor filed a voluntary petition for Chapter 7 relief under the Bankruptcy Code.

6. On September 9, 2010, the Internal Revenue Service filed a proof of claim and on November 1, 2010, the Internal Revenue Service filed an amended proof of claim in the amount of \$1,365,187.32. This amount consists of a secured claim in the amount \$262,803.50.

7. On October 7, 2010, the New Jersey Division of Taxation filed a secured proof of claim in the amount of \$282,161.63.

8. On October 12, 2010, The State of New Jersey Office of Special Compensation Funds-Uninsured Employer's Fund filed a proof of claim in the amount of \$45,000.

9. On October 27, 2010, the Secured Creditors entered into a consent order to allow the trustee to sell the property, free and clear of liens, claims and encumbrances, with liens to attach to the proceeds of sale pursuant to 11 U.S.C. § 363, and Waiver of Automatic Stay Provision of F.R.B.P. 6004(g).

10. Paragraph 5 (d) of the consent order stated that "the balance of the proceeds after the costs of administration, costs of sale and carve out for unsecured creditors shall be paid to the Secured Creditors pursuant to a consent order if the parties agree on the priority and validity of

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their liens. If the parties do not agree then the Trustee shall file an adversary proceeding seeking to fix the extent, validity and priority of liens on the Real Estate for the remaining proceeds after administration, costs of sale and the carve out for unsecured creditors.”

11. After calculating all the required distributions under the prior Consent order including the costs of administration, sale and carveout, the Trustee has determined that approximately \$61,460.00 remains for distribution to the secured creditors and the Trustee seeks to determine the extent, validity and priority of the liens to distribute these remaining funds.

Now therefore it is ORDERED and ADJUDGED as follows:

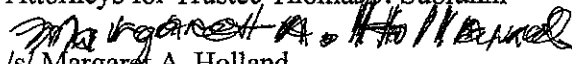
1. The Trustee shall evenly divide the remaining funds in the approximate amount of \$61,460.00, between the Internal Revenue Service and the State of New Jersey, Division of Taxation.

2. The checks shall be as endorsed as follows: (1) made payable to the State of New Jersey Division of Taxation and sent to the attention of Ramanjit K. Chawla, Deputy Attorney General, at this address: New Jersey Attorney General's Office, Division of Law, P.O. Box 106, Trenton, New Jersey 08625-0106; (2) made payable to the United States Treasury and sent to the attention of Steven W. Ianacone, Special Assistant United States Attorney, at this address: Internal Revenue Service, District Counsel Suite 1500, Newark, NJ 07102-5211.


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We hereby consent to the form, substance and entry of this Order:

Subranni Zauber LLC
Attorneys for Trustee Thomas J. Subranni

/s/ Margaret A. Holland
Margaret A. Holland, Esq.

Attorney for the Internal Revenue Service


/s/ Steven W. Ianacone
Steven W. Ianacone,
Special Assistant United States Attorney

Paula T. Dow
Attorney General of New Jersey

/s/ Ramanjit K. Chawla
By: Ramanjit K. Chawla
Deputy Attorney General
Attorney for State of New Jersey, Division of Taxation and
Department of Labor and Workforce Development/Office
Of Special Compensation Funds

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Attorneys for Trustee Thomas J. Subranni

/s/ Margaret A. Holland
Margaret A. Holland, Esq.

Attorney for the Internal Revenue Service

/s/ Steven W. Ianacone
Steven W. Ianacone,
Special Assistant United States Attorney

Paula T. Dow
Attorney General of New Jersey


/s/ Ramanjit K. Chawla
By: Ramanjit K. Chawla
Deputy Attorney General
Attorney for State of New Jersey, Division of Taxation and
Department of Labor and Workforce Development/Office
Of Special Compensation Funds